

State of Utah

Plan for Administering Special Education High Cost Risk Pool

IDEA section 612

PURPOSE

It is the intent of the state of Utah in partnership with local education agencies to implement the flexibility outlined in IDEA 2004 to provide a risk pool to help local education agencies in meeting the needs of students with disabilities who require unusually high-cost special education and related services.

RATIONALE

The state of Utah has long understood the potential impact on local education agency (LEA) special education budgets of providing a free appropriate public education for students with low incidence disabilities that require costly services. The Utah State Legislature has provided limited "Impact Aid Funding" for a number years to assist LEAs when the cost of services exceeds \$15,000 in one year.

The allocation for the Impact Aid for the 2004-2005 school year was approximately \$150,000 for the entire state. The amount that LEAs reported for reimbursement purposes was in excess of \$2 million. This figure is based solely upon the data submitted by those districts who felt that the investment of time to collect and report the data was worth the limited reimbursement that they might receive. Numerous districts have chosen not to report the data to the Utah State Office of Education because districts have typically received less than 8% return on reimbursement requests (because of the small state allocation).

LEA Special Education Directors, the State Special Education Finance Committee, and the Utah Special Education Advisory Panel have expressed strong support for the state education agency (SEA) to reserve 10% of the state IDEA set-aside funds for the purpose of supporting LEAs in meeting the needs of students with disabilities who require costly services.

PROPOSED PLAN

- 1) Data Collection In order to determine appropriate grant awards to LEAs for the 2005-2006 school year, the Utah State Office of Education will collect data from LEAs on the number and percentage of students whose direct special education and related services as dictated by the IEP exceed three times the Utah Average Per Pupil Expenditure (APPE), as defined in section 9101 of the ESEA. (\$14,286) The data collected will be from actual individual student enrollments and expenditures for the 2005-2006 school year up to December 1, 2005. LEAs are to exclude the costs of services reimbursed as medical assistance for a child with a disability under the state Medicaid program Title XIX of the Social Security Act. This data will be due to the Utah State Office of Education by December 15, 2005.
- 2) Data Review The 2005-2006 data from LEAs, even though it will only be for 3 months will be compiled and evaluated to determine the amount that would be available for each district that reflects a proportionate share of the IDEA risk-pool funding based on the number, percentage, and expenditures for high-cost students.
- 3) Feedback from LEA Directors The Utah State Office of Education will meet with LEA Special Education Directors in January 2006 to share the results of the December 2005

data collection and to gather feedback and input on the data collection process and proposed disbursement of funds for the 2005-2006 school year. The desired outcome of this process is to fine-tune data collection procedures for the 2005-2006 school year that will improve the funding process for the 2006-2007 and subsequent school years.

- 4) Grant Award Schedule Based on the data collected and verified, a schedule of grant awards will be developed for each of the LEAs who are currently serving students with disabilities during the 2005-2006 school year who met the eligibility criteria. LEAs who do not have students who qualified for the risk-pool funding during the 2005-2006 school year, will not receive a grant award. This schedule will be available to LEAs by February 1, 2006.
- 5) Use of Funds LEAs are authorized to use the funds granted by the SEA under the IDEA high-cost risk pool for direct special education and related services for any student with disabilities for whom the services outlined in the IEP exceeds three times the Utah APPE. (\$14,286) IDEA 2004 specifically prohibits use of these funds for legal fees, court costs, and other costs associated with a cause of action brought on behalf of a child with a disability to ensure FAPE for such child.
- 6) LEA Reimbursement In May of 2006 LEAs will submit a claim to the Utah State Office of Education for reimbursement of IDEA high-cost risk pool funds for the actual amount expended by the LEA up to the amount identified in the grant award schedule determined in February 2006. If LEAs incur expenses beyond the amount established in the high-cost risk pool schedule, they are encouraged to submit a separate itemized statement that may be considered for additional reimbursement if current year funding is available. If circumstances change resulting in an LEA not expending the full amount of the grant award as determined in February 2005, the LEA may only claim actual expenditures on the claim for reimbursement from the Utah State Office of Education.
- 7) Reallocation of Unexpended Funds If LEAs have not claimed reimbursements in the full amount granted for the high-cost risk pool by September 30, 2006, by November 1, 2006 the Utah State Office of Education will recalculate grant awards to districts who have submitted data demonstrating actual costs in excess of their scheduled grant award. These calculations will include data on numbers, percentages, and actual costs of services reported by LEAs. LEAs will receive a supplemental grant award based on the recalculations. All re-allocated high-cost risk pool funds are to be claimed by December 15, 2006.
- 8) Excess Funds If a balance remains in the high-cost risk pool after all reimbursements have been processed, the SEA will distribute excess funds to LEAs based on the same formula that IDEA flow-through funds were distributed for the same year. This distribution will occur in January 2007 if funds are available.
- 9) Annual Data Collection Each LEA will be responsible for collecting and reporting to the Utah State Office of Education annually, the number, percentage, and expenditures for students with disabilities who require special education and related services that cost in excess of three times the Utah APPE. This collection of data will also be used to distribute the State Impact Aide Funds
- 10) Annual Review The Utah State Office of Education will annually review the implementation of the IDEA high-cost risk pool data collection and funding process to determine effectiveness and to make recommendations for amending the process as needed. This review will include LEA Special Education Directors, the State Special Education Finance Committee, and the Utah Special Education Advisory Panel